

California Department of Mental Health (DMH)
FREQUENTLY ASKED QUESTIONS
MHSA Funding
Updated December 6, 2005

1. *What is the proposed timeframe for state review and approval for one-time funding requests for additional community program planning and system improvement dollars?*

The DMH review of these requests will be approximately two weeks. The Oversight and Accountability Commission will review these requests within that timeframe and provide comment/feedback to DMH for their consideration in the approval process. DMH may approve the request as submitted or request additional information/revisions that are needed to ensure that the request is consistent with requirements.

2. *What does the requirement in DMH Letter 05-06 mean that System Improvement Funds can be used for 3 months?*

System Improvement Funds are intended to provide the funding to develop the infrastructure needed at the county and provider levels to accommodate the system transformation and expansion of services through the MHSA Community Services and Supports Component. The reference to the three months is intended to be a general guideline rather than a requirement that these funds can only be used in the three months prior to approval of the CSS plan. Counties may request these funds at any time following the issuance of DMH Letter 05-06.

3. *What is the difference between funding for system improvement and other one-time?*

Both system improvement and other one-time funds are components of the start-up funding available for Community Services and Supports under the MHSA as described in DMH Letter 05-06. The slight difference between the two is that system improvement funding is for activities necessary to implement and support the transformation envisioned by the MHSA regardless of which specific programs are proposed while other one-time funding is for one-time purchases or services incurred in order to provide the services identified in the CSS plan. Also, system improvement funding is available to restore AB 2034 funding to prior levels. Costs for IT purchases leading to improvement in functionality are allowed under other one-time funds. Note that the use of these funds (along with extension of community program planning funding) is limited in aggregate to 50 percent of a county's CSS planning estimate unless the county can justify use of an additional 25 percent as outlined in DMH Letter 05-06.

4. *How do counties request other one-time funds?*

Other one-time funds should be requested as part of the individual CSS program budgets on line C of the budget worksheet. Counties should also provide a detailed description of the proposed other one-time expenditures in the program narrative as outlined on page 52 of the CSS Three-Year Program and Expenditure Plan Requirements. Counties should also review DMH Letter 05-06 as to the limits on aggregate start-up funding, of which other one-time funds are a component.

5. *What does it mean to improve IT functionality?*

Other one-time CSS funding may be used to improve the functionality of existing information technology systems used to collect and report client information (DMH Letter 05-06). This means that other one-time funds cannot be used to simply replace existing information technology systems but can be used to cover the incremental cost of improving the functionality of the system. Some examples that would be considered improving IT functionality include incorporation of additional data elements into the system, generation of additional reports and/or improving the processing speed of a system. A county that replaces their existing system without adding additional features or reporting capabilities would not be able to use MHSA funding for the system. A county that replaces their existing system with a system that captures additional data elements or generates additional reports or is faster could use a portion of their other one-time CSS funding for the system.

6. *Do capital assets need to be depreciated rather than fully expensed?*

For assets purchased solely with MHSA funds, the Department does not intend to dictate county accounting policies as long as standard accounting principles are applied. However, those assets that can be partially reimbursed through Medi-Cal or other federal or state sources that require assets to be depreciated must be depreciated in order to qualify for such reimbursement.